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Interim report of the Secretary-General on the United Nations Transitional Administration in East Timor

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1338 (2001) of 31 January 2001, by which the Council decided to extend the mandate of the United Nations Transitional Administration in East Timor (UNTAET) until 31 January 2002 and requested the Secretary-General to report to it by 30 April 2001 on the implementation of the mandate, including military and political assessments of the situation on the ground and their implications for the size, structure and deployment of UNTAET. On 5 April 2001, the Council received an oral briefing on recent developments in East Timor. Matters dealt with in that briefing and the questions and answers that followed it are contained in the official records of the Security Council (S/PV.4308) and will be referred to only as necessary for the purposes of the present report.

II. Political transition

2. The main step during the last three months of East Timor's transition to independence was the promulgation, on 16 March 2001, of the regulation on the election of the Constituent Assembly. The civil registration of all residents began on the same day. The regulation will form the basis for the preparation of the electoral roll. As is usually the case, the registration began slowly, but is expected to gather speed as UNTAET's information efforts take effect and technical problems are solved. So far, over 200,000 inhabitants have been registered. The registration must be completed by 20 June if there is to be a sufficient period for review, challenge and appeal of the electoral roll. This is governed by the date of the ballot itself, which is scheduled for 30 August 2001. Clearly, the timetable is tight and allows little room for technical or other delays.

3. On 27 March, the National Council rejected, by a narrow margin, a draft regulation that would have provided for the establishment of commissions to undertake a broad consultation on the future constitution. Following that decision, Xanana Gusmão resigned from the Council. Manuel Carrascalão succeeded him as Speaker on 6 April.

4. In order to encourage public participation in the constitutional development process, and in order to facilitate a broad public consultation, a national civic education framework was developed in close consultation with major civil society groups, which provides for widespread civic education through training of trainers, mass information and multiple civil society initiatives. A first course has been conducted for Timorese who will be based in the districts and will in turn pass on their knowledge to community leaders. They will also facilitate local initiatives to disseminate civic education information throughout the subdistricts. UNTAET also supports initiatives by non-governmental organizations (NGOs) to facilitate public participation in the development of the constitution. Finally, district constitutional commissions will be established as an official mechanism to distil the results of these civil society discussions and to enable citizens to express their views in an official forum.

5. There is a broad range of views among East Timorese regarding the structure of the future State, and some who had previously pressed for early independence have recently warned against rushing the process. While the Constituent Assembly has been given a target of 90 days to complete the constitution, the date of independence will become clearer only

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when the Assembly has made some headway in its deliberations.

6. In preparation for the election, UNTAET has launched a comprehensive voter education programme, utilizing printed media, radio and television. At the registration sites, television sets, funded by the United States Agency for International Development (USAID), display information about civil registration and the political calendar. The election to the Constituent Assembly is an opportunity for the East Timorese to gain experience in the organization of elections. In addition to training Timorese electoral staff, UNTAET has established an election resource centre to compile documentation about the 2001 elections, the 1999 Popular Consultation and comparative material on electoral systems and administration in other countries.

7. The political parties are slowly beginning to establish district and subdistrict offices, build their membership and prepare for national congresses at which manifestos will be adopted and candidates selected. However, only the East Timor National Liberation Front (FRETILIN) is well advanced in this process. One group, the Popular Committee for the Defence of the Democratic Republic of East Timor (CPD-RDTL) continues to oppose the election, on the grounds that East Timor became independent in 1975 and already has a constitution. CPD-RDTL has attracted some support among the disaffected poor and the urban unemployed and its members have been involved in political disturbances in Dili and Baucau.

III. Economy and infrastructure

8. During the past year, gross domestic product (GDP) grew by an estimated 15 per cent and crop production reached over 70 per cent of the pre-September 1999 level. However, much of the economic growth occurred in Dili, in service sector enterprises and in trade and construction related to donor-funded reconstruction programmes. Unemployment remains substantial, especially in urban areas where the ranks of the unemployed have been swelled by migrants from the rural districts. In order to slow this migration, World Bank programmes are seeking to channel investments to the rural areas.

9. Under programmes administered by the World Bank and the Asian Development Bank, over $35 million from the Trust Fund for East Timor has been disbursed for projects in agriculture (community irrigation repairs and farm feeder roads), education (classroom rehabilitation and furniture manufacturing), road construction and water supply. A policy of using maximum local labour and inputs has been followed to create employment and build the local economy and capacity, even if, in some cases, it has resulted in slower delivery. The United Nations Children's Fund (UNICEF) and the Government of Japan are sponsoring a major school-roofing plan, and the United Nations Development Programme (UNDP) is undertaking, in conjunction also with the Government of Japan, the rehabilitation of the power, water and irrigation infrastructure.

10. The future reduction in the number of international personnel based in East Timor will have an inevitable impact on employment, particularly in Dili. Further efforts will be needed over the coming year to ensure that the economic impact of a decrease in the international presence does not engender political instability. In any case, international programmes, for example public works and training, cannot alone create the necessary job opportunities. The development of the private sector is the key to creating sustainable employment opportunities, and the future Government will need to act quickly to establish conditions conducive to attracting long-term investment.

11. For the economic well-being of the Oecussi enclave, a practical and reliable arrangement ensuring unhindered land transit between the enclave and the rest of East Timor is critical. This issue has been the subject of negotiations between UNTAET and the Government of Indonesia, but is so far unresolved.

12. Oil and gas in the Timor Sea are East Timor's main natural resources and the income derived from them will be a major factor in the development of the future State. UNTAET and Australia have conducted two formal and two informal rounds of negotiations over these resources, with a view to reaching an agreement that would come into effect when ratified by the future Government of East Timor. The next round of negotiations is scheduled to take place in Brisbane, Australia, from 2 to 4 May.

IV. Refugees

13. The issue of the refugees in West Timor remains unresolved. After a brief upsurge in March, when 2,735 refugees returned, less than 400 returned in April, despite increased information efforts by UNTAET, culminating in a tour of four camps by its Chief of Staff from 9 to 11 April. The Indonesian regional military commander, other Indonesian officials and representatives of the Office of the United Nations High Commissioner for Refugees (UNHCR) and the International Organization for Migration (IOM) accompanied UNTAET's representatives. The visit was well supported by the Indonesian army and police, who provided heavy security. Even so, the team was advised not to visit the camp at Betun, which is a stronghold of pro-Indonesian militias.

14. The United Nations team disseminated information to the refugees about security and the political situation in East Timor as well as about the assistance provided to returnees. Throughout the visit, Indonesian officials told the refugees that the issue of East Timor was settled and the Government's decision on East Timor was final. They also informed the refugees about Indonesian plans for a one-day registration exercise, currently scheduled for 21 May, during which all refugees would be offered a choice between repatriation and permanent resettlement in Indonesia. This plan, which is still evolving, has been the subject of discussions between the Indonesian Government and UNHCR.

15. The majority of the refugees received the information provided with apparent interest, but did not voice any opinion. In contrast, in each camp, a small but vocal group of refugees denounced the result of the 1999 ballot, expressed allegiance to Indonesia and said that they would return only if East Timor became part of Indonesia. In this, they followed closely the line taken by representatives of the pro-integration groups. Disinformation directed at refugees has continued. One particularly glaring example is an article in the *Jakarta Post* of 30 April, which cited a local administration in West Timor as the source for a claim, patently false, that more than 230,000 persons, that is more than one quarter of the population, had left East Timor over the last three months.

16. The United Nations is working with the Indonesian authorities on an appeal for donations to meet the cost of disseminating information in the camps, registering the refugees, repatriation and resettlement. Negotiations continue over the payment of pensions to former Indonesian civil servants. Thus far, Indonesia has agreed to pay pensions only for those who retired prior to the 1999 Popular Consultation; of that group, however, those who live in East Timor would no longer receive their pension after independence. A solution that safeguards the entitlements of those who had not yet reached retirement age in 1999 would no doubt encourage many former civil servants to return to East Timor.

17. Security Phase V was put into effect in West Timor, after the murder of three UNHCR workers on 6 September 2000, and it remains in place. Phase V (evacuation) means that there is no permanent presence of internationally recruited United Nations staff in West Timor. Although the Government of Indonesia has not yet implemented all the measures called for by the Security Council in its resolution 1319 (2000) of 8 September 2000, including the disarmament and disbandment of the militias, the Office of the United Nations Security Coordinator, after consideration of views expressed by all concerned, has decided to organize and lead an inter-agency security assessment mission to West Timor in May 2001.

Reconciliation and prosecution of serious crimes

18. Reconciliation was an important topic of the visit to West Timor, since it has a direct bearing on the return of refugees. The East Timorese have readily accepted returning refugees who had supported integration with Indonesia back into local communities. At the same time, they feel strongly that, while minor transgressions should be dealt with through reconciliation procedures, major crimes must be prosecuted. In this connection, the Indonesian Parliament's decision to establish an ad hoc tribunal to deal with gross violations of human rights in East Timor was seen as a positive step. However, the relevant decree signed by President Wahid on 24 April limits the jurisdiction of a tribunal to acts committed after the ballot on 30 August 1999. As a consequence, the massacres in Liquica and Suai and several other serious crimes, on which the Indonesian Attorney General has been conducting investigations, would not be prosecuted. This is deeply disappointing, especially since UNTAET had provided evidence and access to witnesses to the Indonesian authorities in the course of

their investigations. UNTAET has not yet received access to evidence and witnesses provided for in the memorandum of understanding with Indonesia on cooperation in legal, judicial and human rights-related fields, concluded on 6 April 2000. UNTAET is pursuing this matter with the Government of Indonesia and is urgently seeking clarification concerning the jurisdiction of the ad hoc tribunals.

V. Security

19. The security situation has been generally good, both on the border and inside the territory. However, on 7 March, a series of violent incidents took place in Baucau, including the burning of the local mosque and attacks on the Timorese District Administrator and other United Nations staff. On 12 March, a fight between two youth groups in Viqueque led to a riot that resulted in two deaths, the burning of almost 40 houses and the displacement of some 600 persons. Additional police and troops were deployed and calm was eventually restored.

20. The violence in Viqueque did not arise over political differences and UNTAET has worked with the leaders of the local communities to strengthen their resolve to maintain order and to oppose violence. The incidents in Baucau, however, in which members of CPD-RDTL and former members of the Armed Forces for the National Liberation of East Timor (FALINTIL) were involved, did have clear political overtones, and the fact that a mosque was burned is particularly worrisome. Moreover, pervasive poverty and unemployment create social conditions that make it relatively easy to incite people to violence, notably disaffected youths.

21. There is a widely shared fear among the population that the political process may not remain peaceful. The Timorese therefore look to UNTAET, and in particular to its military component, to prevent and, if necessary, to protect them from political violence. Their immediate concern is focused on the campaign for the election of the Constituent Assembly. However, the periods following the election and during the formation of the first Government of independent East Timor may also require particular vigilance. UNTAET is seeking to address this issue by emphasizing the principle of tolerance for different opinions in its civic education programme and by patrolling areas where there is no permanent police presence. The Police Commissioner and Force Commander have been in close touch in order to refine the procedures for support of the police by the military component.

22. On the border, the situation was generally calm, except for the first days of April, when a young woman was shot and killed by unknown assailants and United Nations troops came under fire. It will be recalled that the relatively stable security environment last year had led to a decision to reduce the military component. However, the onset of the dry season brought with it a significant increase of incursions by pro-Indonesian militias coming from West Timor, who managed to infiltrate the Western and the Central Sector. Two United Nations soldiers were killed during that period. In the light of these developments, the reduction of UNTAET's force level was suspended. At present, UNTAET exercises control over the Western Sector by maintaining a high level of activity by the military component, coupled with very close civil-military cooperation.

23. However, the situation remains unpredictable. The pro-Indonesian militias based in West Timor have continued to advocate armed struggle to bring East Timor into Indonesia and have not laid down their arms. While the current level of militia incursions is low compared to that of six months ago, the involvement of the militias in illegal cross-border trade has increased, providing them with contacts and intelligence. The overall capability of the militias has not diminished and they remain a force to be reckoned with. The Indonesian armed forces have contributed to the relative stability on the border.

24. Given the uncertain outlook on security, it would be prudent to maintain the military component essentially in its present form until the East Timorese Government has established itself. The current strength of the Force is 8,162 all ranks as compared to its authorized strength of 8,950.

VI. United Nations presence after independence

Administration

25. When East Timor attains independence it will not yet have a fully functional civil administration. While advances have been made in training civil servants, many of the skills needed for a fully functioning

administration will take years to acquire. East Timor will therefore continue to need significant assistance to ensure the country's stability.

26. In March, Vieira de Mello, my Special Representative, established a working group on post-UNTAET planning. The group is chaired by the head of the National Planning and Development Agency, a Timorese, and includes three members of the National Council as well as four international staff and the United Nations Development Coordinator. The working group has initiated a complete review of the estimated level and skills of international staffing required to support the future Government. The group has also embarked on a comprehensive schedule of detailed consultations with the Timorese in order to ensure that its recommendations will be acceptable to the future Government.

27. The working group's deliberations and consultations are ongoing, but it is already apparent that there is scope for reductions in the number of international civilian personnel, although there will still be a need for a significant international presence in the post-independence period. This presence should be comprised of international experts who are acting as advisers to East Timorese civil servants and who have demonstrated skills in training and mentoring. In some cases, international staff will be needed to perform line functions that have a high technical content for which expertise is not available locally.

28. These needs are being assessed and evaluated within the framework of the overall allocation of resources. Presently, the transitional Cabinet is considering the resource requirements across all sectors and across a range of sources. The aim is to present a comprehensive picture of the public finances of East Timor and to ensure that the funds from the various sources are effectively used and that investments complement one another. This should also help avoid one pitfall common in development assistance, a concentration on capital investments that can neither be effectively used nor maintained.

29. At United Nations Headquarters, an integrated mission task force has been established to support and complement the working group and to effect coordination among the organizations concerned. The donor conference to be held in Canberra in mid-June will provide an opportunity to review this work prior to the next report to the Security Council at the end of July.

Civilian Police

30. The development and training of the Timor Lorasa'e Police Service is proceeding in accordance with a plan that provides for the achievement of its full strength of 3,000 by the end of April 2003. Until that time, an international civilian police presence will be needed, at a level that will be gradually reduced, to provide assistance for the maintenance of law and order and to train and mentor the Police Service.

Military component

31. Once the new Government has established itself, and subject to the conditions prevailing at that time, it is envisaged that the troops deployed in the east could be gradually withdrawn, while those in the western sector and the Oecussi enclave would be maintained. UNTAET will review this question again after the election of the Constituent Assembly.

32. The first battalion of the East Timor Defence Force (ETDF) is currently undergoing introductory training, which is provided by Portuguese personnel, using equipment provided by Australia. Australia is also building a training facility at Metinaro. The Force will need some considerable time until it is fully operational and can assume its responsibilities. Another conference of countries contributing to the formation of ETDF is to be held in the second half of June in Dili.

VII. Conclusion

33. As this report indicates, East Timor has continued to make progress on the path to independence. Nevertheless, a great deal remains to be done until that objective is reached and more will need to be accomplished thereafter to ensure that the new State can exist on its own. It is inherently difficult to forecast political developments and, in view of the uncertainties that lie ahead, I would favour a prudent approach, which seeks to safeguard the international community's considerable investment in East Timor's future. I am keeping developments under constant review and my report at the end of July will provide a further opportunity for the Security Council to consider this matter.